GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department - Machilipatnam Urban Development Authority - Deep Water Port - Extending of Government Guarantee for raising of loan for an amount of Rs.1385 crores by Machilipatnam Urban Development Authority from open market i.e. from the Public Sector bank towards development of Machilipatnam Port and Industrial Corridor and trunk infrastructure & Industrial Townships at Machilipatnam – Approval – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (H2) DEPARTMENT

G.O.MS.No.203 Dated:29-06-2018

Read the following:

1. G.O.Ms.No.07, I&I Dept., dated 15-04-2010
2.G.O.Ms.No.09, E,I&I (Ports-1) Dept., dated 08-05-2018
3. From Vice-Chairman, MUDA Letter No.Rc.39/MUDA/Govt. Lands/2018, dated 06.06.2018
4. G.O.Ms.No.19,E,I&I (Ports-1) Dept., dated 22-06-2018

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ORDER :

In the reference 2nd read above, Government have issued orders approving the proposal of the INCAP towards extending Government Guarantee for raising of loan for an amount of Rs.1092 crores (Cost of land and predevelopment works: Rs.1060.00 cr + 2% of Guarantee commission to Govt. : Rs.21.20 Cr + 1 % processing fee to INCAP: Rs.10.60 Cr) from the Public Sector Banks/Financial Institutions towards land acquisition and other developmental activities of Machilipatnam Deep water Port and setting up of Integrated Logistics & Manufacturing zone (ILMZ) by Container Corporation of India (CONCOR) at Machilipatnam.

2. In the reference 3rd read above, the Vice-Chairman, MUDA, Machilipatnam has stated that, the Chairman and MD, INCAP has expressed that INCAP is not in a position to raise the loan of Rs.1092 Crores from Banks/Financial Institutions due to some constraints and instead suggested that MUDA would be the appropriate Authority for raising loan. The Andhra Pradesh Metropolitan Region & Urban Development Authorities Act, 2016 empowers MUDA to promote and facilitate developments within the Machilipatnam Development Area and for this purpose the UDA can own an asset, sell, lease, trade, develop, pay for a service and can raise a loan on its own. Since, MUDA is the one facilitating the land assemblage for both Port and Industrial Corridor, which would be the prime drivers of growth in the region, and the Deep Water Port development and allied industrial activities are required to be undertaken on top priority, he has requested the Government to entrust the MUDA with the task of raising the said loan for this purpose.

P.T.O.,

3. In the reference 4th read above, the E,I&I (Ports.I) Dept., have cancelled the orders issued in the reference 2nd read above i.e extending the Govt. Guarantee to INCAP for raising of loan.

4. Government in consultation with line Departments have decided to raise a loan of Rs.1385 crores from Public Sector Banks/Financial Institutions towards development of Machilipatnam Port and Industrial Corridor and trunk infrastructure & Industrial Townships at Machilipatnam through Machilipatnam Urban Development Authority.

5. Government after careful examination of the matter hereby approve the proposal of the Vice- Chairman, Machilipatnam Urban Development Authority towards extending Government Guarantee for raising of loan for an amount of Rs.1385 crores from Financial Institutions for development of Machilipatnam Port and Industrial Corridor and trunk infrastructure & Industrial Townships subject to the following usual terms and conditions:

(a) MUDA shall approach any of the SCBs through a proper DPR and the servicing of the Loan (both Principal and Interest) shall be made by the MUDA resources.

(b) The rate of interest shall be around 8%.

(c) MUDA shall pay one time Guarantee Commission of 2% of the Amount to the Government.

6. Government also approved in principle for alienation of the Government lands identified by Vice-Chairman, MUDA to Machilipatnam Urban Development Authority and the Revenue Department shall hand over advance possession of the said Government lands to Machilipatnam Urban Development Authority.

7. The Vice- Chairman, Machilipatnam Urban Development Authority, Machilipatnam is requested to take necessary action in the matter.

8. This order issued with the concurrence of the Finance (DM) Department vide their U.O No. 22029/15/DM/2017, dated 12.06.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice- Chairman, Machilipatnam Urban Development Authority,
Machilipatnam

P.T.O.,

The Secretary, Finance Department.
The Collector & District Magistrate, Krishna District, Machilipatnam.
The Chairman & Managing Director, INCAP, Vijayawada.
The Director of Ports, Kakinada.
Copy to :
The GA (Cabinet) Dept.,
PS to Prl.Secretary to C.M.,
OSD to Hon'ble M(MA&UD)
PS to Prl.Secretar, MA&UD Dept.,
P.S to Prl.Secretary, E, I&I Dept.,
SF/SC

// FORWARDED : BY ORDER //

SECTION OFFICER